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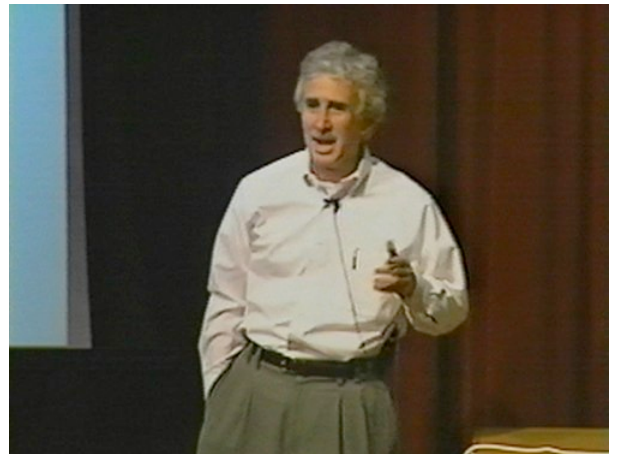
Startups that Fail: Netek

Frank Levinson, *Finisar Corporation*

October 31, 2001

Video URL: <http://ecorner.stanford.edu/videos/652/Startups-that-Fail-Netek>

Frank Levinson, founder of Finisar, begins his talk with a story about a failed startup of his, Netek. Netek is an example of company that had all of the components that are commonly considered to be necessary - idea, business plan, VC investment, team and space. But even with all of that, Netek couldn't get off the ground, he says.



Transcript

In movies these days the new tactic is to not have any sort of central credits or anything. They sort of start the movie off and then they have the credits the title of the movie. So we're going to try that form today. In 1984, I started a company called Netek. This was our logo. It was a series of what look like buildings rising up with green represented the color of glass to this guy that designed it, for fibers lacing the buildings together. It was really a perfect venture in a lot of ways. It started off with an idea, some ideas we're going to do. We wrote a business plan. We then took this B-plan to Venture Capitalists, some guys that founded Prime Computer and then a strategic partner Amped, we got some money.

We got a million dollars and the Venture Capital for only 35% of the company was phenomenal in those days. Another million and three-quarters of contracts. Once we had the money we've rented a building. We got people. We started activity. Things were going great. We grew the organization, added some management, CFO, some vice presidents. Then it turned into a disaster within minutes. Pretty quickly I got fired. And most importantly, I deserved it.